

Memorandum on Designation of Officers of the Office of the United States Trade Representative To Act as the United States Trade Representative

February 20, 2007

Memorandum for the United States Trade Representative

Subject: Designation of Officers of the Office of the United States Trade Representative to Act as the United States Trade Representative

By the authority vested in me as President under the Constitution and the laws of the United States of America, including the Federal Vacancies Reform Act of 1998, 5 U.S.C. 3345, *et seq.*, it is hereby ordered that:

Section 1. Order of Succession.

During any period when the United States Trade Representative (USTR) has died, resigned, or otherwise becomes unable to perform the functions and duties of the office of the United States Trade Representative, the following officers of the Office of the United States Trade Representative, in the order listed, shall perform the functions and duties of the USTR, until such time as the USTR is able to perform the functions and duties of that office;

(a) Deputy United States Trade Representatives (stationed in Washington, D.C.; in order of their length of service as a Deputy USTR);

(b) Deputy United States Trade Representative (stationed in Geneva);

(c) General Counsel;

(d) Chief Negotiator for Agriculture;

(e) Deputy General Counsel; and

(f) Deputy Chief of Mission (stationed in Geneva).

Sec. 2. Exceptions.

(a) No individual who is serving in an office listed in section 1 in an acting capacity, by virtue of so serving, shall act as the USTR pursuant to this memorandum.

(b) No individual shall act as USTR unless that individual is otherwise eligible to so serve under the Federal Vacancies Reform Act of 1998.

(c) Notwithstanding the provisions of this memorandum, the President retains discretion, to the extent permitted by law, to depart from this memorandum in designating an acting USTR.

Sec. 3. Judicial Review. This memorandum is intended to improve the internal management of the executive branch and is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 4. Publication. You are authorized and directed to publish this memorandum in the *Federal Register*.

George W. Bush

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NOTE: This memorandum was published in the *Federal Register* on February 22.

Remarks in a Discussion on Health Care in Chattanooga, Tennessee

February 21, 2007

The President. Thank you all very much. Please be seated. Thank you. Thank you very much. I'm honored to be here. Jim, thank you. We just toured a pretty fantastic hospital. He talked about robotics that are being used to operate on. He said that I was on the machine, and he's right, but there wasn't anybody at the other end of the machine, you'll be happy to hear. [Laughter]

I want to talk today about health care. I see people wearing our uniform—I want to thank you for wearing the uniform. I am the Commander in Chief, and proudly so. I'm also the educator in chief. The job of the educator in chief is to try to educate people about different ways to solve major problems facing our country, and we've got a problem with health care. It's not affordable, and it's not accessible to too many of our people. And the fundamental question is, how to deal with it? And so today we're going to have a conversation with experts. We've got people who call themselves experts, like me and the Secretary and the Governor. And we got people

who are living experts because they're having to deal with the health care problems.

And so I want to thank you for joining us. I particularly want to say thanks to Michael Leavitt, who is the Secretary of Health and Human Services. I asked him to join my Cabinet. He came from the State of Utah, where he was a Governor. I happen to believe Governors know how to set agendas and know how to achieve results. You've got you such a Governor here in the State of Tennessee as well. And, Mr. Governor, we appreciate you joining us. Mike and—[*applause*].

I think you're going to find it interesting as we discuss the proper relationship between the Federal Government and States, as we design programs that help individuals be in charge of their health care decisions. And so we're going to have a discussion with some of your fellow citizens here, and I want to thank you all for joining us. It seemed like a pretty good idea when you accepted—[*laughter*—and then you got out here, look at all the people and cameras. Anyway, I think you're going to find it interesting. I know I'm looking forward to hearing what you all have to say.

I'm keeping pretty good company today, as you can see. Not only have we got the Governor; we've got the Lieutenant Governor with us today. Lieutenant Governor Ramsey is with us. Thanks for coming. There he is, yes—Ramsey.

I am very proud of you—the Senators you've got up there—that you sent up to Washington. The senior Senator, Lamar Alexander—appreciate you coming. Lamar. Proud to be here. He's a good, thoughtful guy, who, by the way, paid me and Laura a high compliment the other day in the newspapers in Tennessee when he noticed that we had worked hard to increase the budget of the National Park System, thereby directly benefiting the people who care about the parks in eastern Tennessee. And so thank you for not only helping us get that piece of legislation into the process—I'm looking forward to getting it passed during the appropriations process.

The other United States Senator is a fellow you know pretty well, a man who made his marks in paving the roads and filling the pot-

holes—former mayor Bob Corker. Thanks for coming.

And finally, the United States Congressman—all he talks about is "Chatt-town" every time I see him. He says, "You remember Chattanooga, now, Mr. President, don't you?" [*Laughter*] "You came here when you were not in public office. We expect you to come back in public office." And I'm glad, Zach, that I finally listened to you when it came to my travel schedule. I'm really thrilled to be here in this beautiful part of our country, and I'm also proud to be in the presence of your Congressman, Zach Wamp. Thanks for being here.

We got the mayor with us today—the mayors. We got the mayor, Ron Littlefield, of Chattanooga. Mr. Mayor, thank you for coming. Proud to have you here. Mayor Claude Ramsey of Hamilton County. I told the mayor, I said, "In Texas, we call them county judges." [*Laughter*] So I said, "I might just call you 'Judge.'" And he said, "Well, Mr. President, you can call me whatever you want to call me." [*Laughter*] Mayor, thanks for coming. Appreciate you being here.

I do want to thank the good folks who work at Erlanger. Thanks for putting up with me and the entourage. We really had a wonderful tour. And the truth of the matter is, you can put all the robotics you want in a hospital, or all the x rays; what really matters is the compassion and care given by people. And so I want to thank the docs and the nurses and the staff of that wonderful facility for being on the leading edge of compassion.

It was really interesting, a couple of docs showed us some stroke recovery procedures, and one of the examples was a 26-year-old woman who got a stroke, and she couldn't talk. And then the next film they put up there was her talking, and how happy she was. And it had to make you feel great, doc, to know that you saved somebody's life. And so I thank you.

And the mission, by the way, of government is to make sure that the quality of health care received by our patients around this country remains the best in the world. Private medicine works. And we need to make sure that we put good policies in place to make sure private medicine is the norm, quality care is given to as many Americans

as possible. And that's what we're here to discuss.

Now look, we got a problem, and the problem is, health care costs are rising too fast for a lot of our individuals and small-business owners. Here's one of them right here. He's about to testify—[*laughter*]*—*about the rising cost of health care, see. Individuals are being priced out of the market. And so what is the proper policy to deal with it? You sent us up to Washington to identify problems, but you also sent us up there to identify solutions. And so I want to share some solutions with you today, some ideas that I hope the Members of Congress take seriously.

A first philosophical note is that the best decisions are made by providers and patients, not by government or insurance companies. In other words, if you want a health care system that really works, you want the decision-maker to be the individual, in consultation with somebody who knows what they're talking about, somebody trained to help that person make the proper decision—that would be your doctor.

Secondly, that when it comes time to helping people who need help, it makes sense for us to make sure the Federal Government does its job and to work in concert with States. Now, I believe the Federal Government has a solemn responsibility to take care of the sick—I mean, the disabled, the elderly, and the poor. We have made that commitment, and we've got to honor that commitment.

Recently we took on a big issue in the Congress, and that was to make sure that the Medicare system provided modern medicine for our seniors. And we passed new legislation that said, we're going to help with pharmaceutical drugs, that for the poor, they'll get their pharmaceuticals; but for those who aren't poor, they'll have some choices to make about how best to suit their needs when it comes to medicine. See, I believe in choice. I told you, I want those patients making the decisions.

And guess what? It's working. Part D reform for Medicare is working. I congratulate the Secretary on helping implement this piece of legislation.

My point to you is, is that we take our responsibility seriously. We want to make

sure there's adequate funding, and we will. We want to make sure that funding ends up in the hands of people who need help.

Other ways to control costs are to make sure that we introduce information technology into health care. If you want to be honest about it—I think we probably ought to be—a lot of health care is kind of lagging behind the rest of the country when it comes to IT. I mean, they're still filling out forms by hand, doctors signing things, which leads to, sometimes, confusion, since doctors can't write very well. [*Laughter*] Paper gets lost. Files move around, and they get reshuffled the wrong way. We need to help make sure that health care is as modern as other aspects of our society. We want people to have a medical identification record that you can take with you—by the way, that is secure from people snooping.

I'll tell you an interesting example of that is, our Veterans Affairs Department has done a good job of providing individualized health care records on the computers. And so when Katrina hit in New Orleans, all the files were destroyed for a lot of the health care providers, but each individual vet had his own health care chip. And so when they went to Houston, for example, they were able to take that, plug it into a computer. The doctors there at the VA was able to see what the previous treatments were or what the person needed, and there was a seamless transition from care in New Orleans to care in a VA place somewhere else.

And so we've got—we're working on that, and the Federal Government can help. After all, we're a huge provider of health care. We want there to be price transparency in health care. I don't know about you, but I don't remember ever asking how much something was going to cost when it came to health care. I do when it comes to a car—or I used to. [*Laughter*] I will soon. [*Laughter*] But there's not many consumers asking, "What does it cost, doc? And what's the quality of the product?"

And so there's—transparency in pricing will help control costs. It's amazing what happens when consumers are making decisions. And one way to help consumers to make decisions is to encourage systems that put consumers in charge of health care decisions,

like health savings accounts. Like, if you're running a small business, you need to look at a health savings account. People can save money with health savings accounts. These are innovative products, innovative ways of providing insurance for yourself and you're family, where you actually save money tax-free if you don't spend money on yourself.

We believe there needs to be association health plans. I'm very worried about small businesses not being able to afford insurance but not nearly as worried as the CEOs of small businesses. It's got to pain somebody running a small business to know they can't provide their employee with the coverage they need. And yet small businesses aren't able to have the same advantages that big corporations get when it comes time to spreading risk across a lot of people they're insuring.

And so I believe small businesses ought to be able to pool risk across jurisdictional boundary. That's fancy words for, I think a restaurant in Chattanooga ought to be able to put their employees in the same risk pool as a restaurant from Houston, Texas, so you can spread risk. Those are called association health plans.

Here's another innovative way to help people be able to have affordable insurance. I strongly believe we've got to do something about lawsuits. I don't want to get too—[*applause*]. We've got a system in some States where you can't find an ob-gyn in a county because the lawsuits are running these good people out of the county. And by the way, it's running up the cost of medicine. A doc, whether they'll admit it to you or not, can't help but think in the back of their mind, "I might get sued; I'm going to practice a little extra medicine." That's called the defensive practice of medicine. But it means that you're paying more for health costs than are absolutely necessary. If I was a doctor and worried about a lawsuit, I'd be doing the same thing. I'd be protecting myself for fear of a lawsuit that could conceivably damage my capacity to stay in business.

And I happen to believe lawsuit reform is a national issue. When I first got up to Washington, Governor, I thought the States ought to take care of it. And then I found out that we're spending about \$28 billion of

your money as a result of the defensive practice of medicine. See, we spend a lot of money on Medicare, Medicaid, Veterans Affairs. And so when somebody is practicing extra medicine to avoid the consequences of a lawsuit, it's costing our taxpayers money.

And I decided it was a national issue that requires a national response. And we hadn't done a very good job of getting that liability bill passed out of the Senate, but these two Senators are with us. And I'm going to keep pushing, so long as I'm the President, to get good national liability reform so to make medicine more accessible and more affordable for more of our citizens.

You probably think I'm going to do all the talking. Yes. [*Laughter*] My wife, by the way, who sends her love, would tend to agree with you. [*Laughter*] By the way, I am a lucky man that Laura said yes when I asked her to marry me, and I really—[*applause*]—I know this isn't very objective, but I firmly believe the country is lucky to have her as the First Lady. I really do.

There are some ideas I just laid out for people to think about on how to deal with the rising cost of medicine. I've got an idea as to how to make sure people can get private insurance. We ought to be striving to help people buy insurance so that hospitals like Erlanger don't have to pick up the tab.

So the fundamental question is, how do we help? Well, the Tax Code needs to be changed. If you work for a large corporation in Chattanooga, Tennessee, you get your health care free, basically. In other words, you don't have to pay any tax on the benefits. If you work for a small company and that small company can't afford your health care and you go out and buy health care on your own, you pay with after-tax dollars. In other words, it costs you more than the person who works for a large company to buy insurance. And that's unfair.

We're worried about helping make sure people can afford health care. But the Tax Code is so structured that if you're an individual or somebody working for a company that can't afford health care, you're disadvantaged relative to a company that is—a larger company.

And so here's an idea that Congress needs to consider: If you're married, got a family,

and buying health care, you get a \$15,000 deduction from your income taxes, right off the top. It doesn't matter whether you're working for the largest company in Chattanooga or one of the smallest, you get that deduction. If you're single, you get to deduct \$7,500 from your—not only your income tax but your payroll taxes. And the reason you do that—and you're going to hear some examples of how this will help our fellow citizens—one, it helps somebody afford insurance; two, it will help in the development of a market for individuals in the insurance world.

Right now there's a limited market for the individual. It makes it hard to find a product that either suits your needs or you can afford. The more policies written to meet the individual—in other words, the larger the risk pool—the more likely it is that costs will come down for the individualized policy. That's just the way it works. Yet the Tax Code discourages the individual from being in the market.

Now, one of the concerns I have about such a plan is that some people can't afford insurance—some people won't be able to get insurance. This plan will help a lot of people afford it, like the uninsured, the working uninsured. Now, remember, the Government is going to take care of the poor—that's called Medicaid—and SCHIP, plus what the innovative policies Phil is doing here in Tennessee. The Government is going to take care of the elderly; we take care of the disabled. And here's a way to help people who are working uninsured afford insurance. We'll give you some examples here in a minute.

But I am also worried that there is—that the process will kind of leave out people who may have preexisting conditions. In other words, it's okay for the individual who's healthy to go get insurance, but how about the person that's not healthy? And therefore, Secretary Leavitt is designing a plan that says, we will give you flexibility with Federal money that we give you—to the State to help you design risk pools—like they're doing here in Tennessee—that will help you take care of the uninsurable, like you're doing here in Tennessee. In other words, it's a collaboration with the Federal Government and the State government to come up with inno-

vative ways to deal with the issues as a result of adverse selectivity because of individual policies being the norm.

And so I'm going to have Leavitt start us off in talking about it. And by the way, in return for flexibility, we expect the States to design basic health care coverage—coverage that doesn't have all kinds of mandates on it; coverage that means somebody is more likely to be able to afford health care. And again, that's what the Governor has done here in Tennessee.

You've got yourself—you're on the leading edge of some really interesting ideas in your State. You really are. And I want Mike to kick off the discussions, and then we're going to bring the Governor in. And then—we're getting ready to talk among ourselves here. Anyway, Michael.

[At this point, Secretary of Health and Human Services Michael O. Leavitt and Governor Phil Bredesen of Tennessee made brief remarks.]

The President. Yes, Governor, thanks. It's really important for me and Mike to know that we've got Governors on the frontlines of health care decisionmaking, designing programs that meet the needs of your State. Truth of the matter is, I'd rather, Governor, you be making these decisions than some of our brothers and sisters in Washington. [Laughter]

Gov. Bredesen. I would agree with that, Mr. President.

The President. A couple of points—he said—you know, this is an interesting statistic—I think it's before age 30, most youngsters will have had, like, eight or nine jobs. Isn't that interesting? Baby boomers like us, we're not used to that kind of turnover in the job market, which means you better have health care policies that are able to follow the person.

One reason there's uncertainty in our economy is, people are worried about whether or not they're going to be able to have health insurance if they do what is the norm, which is to change jobs. And so I like the idea of the Governor designing a plan—health savings account has got the same sense of portability—you can take it with you. It's your—you own the deal.

And the other thing he talked about, preventative care. I want to remind you, it doesn't cost any money to walk outside and walk for a couple of miles. Make sure when you ride your mountain bike, you don't crash on caliche. *[Laughter]*

We've got Joe Cofer with us, mighty doctor.

Joe Cofer. Thank you, President Bush.

The President. What kind of doc are you?

Dr. Cofer. Surgeon.

The President. Oh, yes?

Dr. Cofer. Yes, sir.

The President. And what kind?

Dr. Cofer. General surgeon.

The President. Feeling pretty good here, by the way, thank you. *[Laughter]*

Dr. Cofer. If you need something out, let me know.

The President. Yes. You're working at Erlanger?

Dr. Cofer. Yes, sir.

The President. Good. Do you like working there?

Dr. Cofer. I love it.

The President. I guess otherwise you wouldn't be working there. *[Laughter]*

Dr. Cofer. I'd still be working there. *[Laughter]*

The President. Oh, that's right. Yes. That's a smart thing, the old boss is sitting over there—*[laughter]*. Give us your concerns. What's on your mind?

Dr. Cofer. Well, I think that the plans you've set forth are very important. I think we've got to develop health care for those that are uninsured, and I'd like to tell you about what we've done with Project Access.

The President. I'd like to hear it.

Dr. Cofer. Okay. First, let me welcome you and Secretary Leavitt, from the University of Tennessee College of Medicine, from Erlanger Hospital, and all the physicians who practice here in Hamilton County. Thank you for coming to Chattanooga, the best kept secret in America, and thank you for coming here to talk about health care.

The President. Working the chamber of commerce angle, that's good. *[Laughter]*

Dr. Cofer. That's right.

The President. Yes. Don't forget the Governor now—the University of Tennessee has got the budget, right?

[Dr. Cofer, surgeon, Erlanger Hospital—Baroness Campus, and chairman, Project Access, made further remarks.]

The President. You know, the great strength of the country is not our military, nor the size of our wallets; it's the size of our hearts and the compassion for fellow citizens. I appreciate, doc, what you're doing. We have an admonition to love our neighbor like we'd like to be loved ourself. A government cannot make people love one another. That happens when loving citizens decide, "I'm going to help solve a problem."

And I thank you for recognizing that the Federal Government and the State government can't solve all the problems. Instead of waiting around for them to do something they cannot possibly do, you have stood up and done it yourself. And for that, I congratulate you and thank you and the citizens.

Our job is to keep the economy growing as best we can so people are able to help themselves and get out of poverty and be able to afford health care, and to do smart policies to be able to make sure that the uninsured numbers shrink. That's the objective. That's the goal. That's why Phil is doing what he's doing. That's why I'm suggesting that Congress revisit the Tax Code to make it easier for citizens to be able to afford insurance.

We've got Danny Jennings with us. Welcome, Danny. You're married?

Danny Jennings. Yes.

The President. Yes, you are. And how many children?

Mr. Jennings. Two.

The President. Ages?

Mr. Jennings. Eight and ten.

The President. They're Chattanooga baseball fans?

Mr. Jennings. Probably will be after this. *[Laughter]*

The President. That's good. Yes. What do you do for a living?

Mr. Jennings. I manage a nursery in McMinnville, Tennessee.

The President. Really? Fantastic. Now's your chance if you want to put a pitch out there for some rhododendron. *[Laughter]*

Mr. Jennings. Those are coming in soon, by the way. *[Laughter]*

The President. Well, yes, see. I'm just showing off a little—flora. *[Laughter]*

Tell me about your health care—are you insured?

Mr. Jennings. No. At the present time, no. I'm in between insurance companies. I've had problems in the past with the rising cost of health insurance and, of course, the deductibles. And then there's preexisting conditions, which drive the price up even more.

The President. Yes. So here's a guy that's got two children.

Mr. Jennings. Yes.

The President. Eight and ten—and young family in America has got no health insurance. And it's got to be a little bit intimidating for you.

Mr. Jennings. Oh, absolutely. I own my own home, and, yes, that's very intimidating.

The President. One of the reasons I've asked Danny to come is because I want to help you understand how the standard deduction, in his case, of \$15,000, will help him better afford health insurance. As I understand it right now, that when you—it costs Danny about 450 a month to be able to get insurance to cover his family's needs.

Mr. Jennings. Yes.

The President. If we can get Congress to change the Tax Code—now, here's a fellow working for a small company that does not have insurance, can't afford to go in the market himself. But if we can get the standard deduction passed so that he's able to deduct \$15,000 off his income tax and payroll tax, he saves about 4,500 a year in taxes, which means that the cost per month for him and his family for health insurance goes down to \$47 a month when you apply the tax savings.

The reason I asked Danny to come is because I want you to understand that the standard deduction can mean a lot to a fellow who's working and trying to be able to afford private health insurance. In other words, there's more money in his pocket as a result of the tax standard deduction, and there's more peace of mind knowing that his kids and that he and his wife are covered.

Mr. Jennings. Absolutely.

The President. So I want you to do me a favor. You don't need to write Wamp; he's on board. We'll find you another Congressman to write. [Laughter] Sounds pretty good.

Mr. Jennings. Absolutely.

The President. Yes, I think it will work for you, Danny. I really do. And Danny—I'm concerned about a lot of our citizens, but I don't like to think about a society where the cost of health care has gotten such that a fellow who is trying to do the best he can for his family—got him a house, got him a steady job, but he can't afford health care. And here's one idea for the people of this—for the Congress to think about. Let's Danny make the decision; he gets to buy health insurance; but he's got 4,500 extra dollars to do so on an annual basis.

Mr. Jennings. Definitely.

The President. Thanks for coming.

Mr. Jennings. Thank you.

The President. Marty Ginn.

Martha "Marty" Ginn. Yes, sir.

The President. Glad you're with us.

Ms. Ginn. I'm glad to be here.

The President. What do you do for a living, besides being—she's got the toughest job in America, and that's being a single mom. That's the toughest job, by the way, in my judgment. So what do you do?

Ms. Ginn. I'm an office manager in McMinnville, Tennessee. I've been working there for about 10 years.

The President. Good.

Ms. Ginn. And I love it.

The President. Do you?

Ms. Ginn. Yes, I do. I'm very good at it.

The President. It's important to have high job satisfaction. Are you good at it?

Ms. Ginn. Yes, sir. [Laughter]

The President. Give the girl a raise, will you? [Laughter] And so do you have health insurance?

Ms. Ginn. No, sir.

The President. Yes, so you work for a company that does not offer health insurance?

Ms. Ginn. Yes, sir. I have a—I have inquired on some insurance, but I have a pre-existing condition—I have trouble with my left knee—and the quotes were just outrageous. So I'm just kind of stuck.

The President. So you'd rather go without insurance—or not rather go—you just can't afford it. Let me put it that way.

Ms. Ginn. Well, there you go.

The President. It's not a matter of rather; it's a matter of necessity.

Ms. Ginn. Can't afford it.

The President. Yes. Since Marty is a single person, she gets to deduct \$7,500 off of income and payroll taxes, which would yield her about \$1,900 in savings on an annual basis, which could then be applied toward health insurance. In other words, Marty can't afford health insurance; the plan needs to—we've got to have something in government to help encourage people who cannot afford health insurance to do so. One is to help deal with the cost, and we've laid out some ways to do it, but another is to change the Tax Code.

She doesn't get the same benefit when she buys health insurance as somebody working for a larger company. That's patently unfair. I know it wasn't designed that way when they did that in the health care system. But it's unfair for her. And all I'm going to ask from people in Congress is, be fair. Treat the Martys of the world in a fair way. And we believe in treating her fairly, she'll be able to better afford health care.

Ms. Ginn. That would be great. *[Laughter]*

The President. Yes. Good. And you've got your daughter out there. She's 21?

Ms. Ginn. My son.

The President. Your son? Yes.

Ms. Ginn. My son.

The President. As I said, your son. *[Laughter]*

Ms. Ginn. Trust me, he's a son. *[Laughter]*

The President. That's good. Is he listening to his mother?

Ms. Ginn. He always does.

The President. Yes. Mine can't say the same thing. *[Laughter]*

Ms. Ginn. The Marines taught him well.

The President. He's a marine?

Ms. Ginn. Yes.

The President. Yes, ma'am. I appreciate it. I know you're proud of him. Where is he? Is he out there? Yes, sir. Thanks for serving. Thank you. Yes, sir. He yelled, "Semper Fi," at the Commander in Chief—proudly received.

Audience member. Hooah!

The President. There you are. *[Laughter]*
Okay. That's enough. *[Laughter]*

Amy Childers—isn't that right?

Amy Childers. Yes, sir.

The President. So are you gainfully employed?

Ms. Childers. Yes, sir.

The President. Like, what do you do?

Ms. Childers. I'm an interior designer in Nashville, Tennessee.

The President. Great. You came over with the Governor?

Ms. Childers. I did.

The President. That's good—from the same area. Nashville is an exciting town, isn't it?

Ms. Childers. Yes, sir.

The President. It really is a vibrant town; it's an exciting place. Thanks for coming. And so who do you work for?

Ms. Childers. I work for Lumen Lamps.

The President. Yes. That means you sell lamps?

Ms. Childers. I do. *[Laughter]*

The President. I'm occasionally in the market. *[Laughter]* And so what's your—give us a feel—your company—once again, she works for a company that does not provide health insurance.

Ms. Childers. We are a very small company. I'm the only full-time employee besides my employer, and he can't afford for us. And so I turned 35 last summer and my—

The President. You don't look a day over 34. *[Laughter]*

Ms. Childers. Most people say 22, but thanks. *[Laughter]*

The President. Good one. Yes, I'm not running again. *[Laughter]*

Ms. Childers. I'll let you slide. *[Laughter]*

The President. Who invited Amy? Where is the guy? *[Laughter]*

Ms. Childers. Okay. So I turned 35, and my cover went from 130 a month to 210. So my dad wasn't supposed to know this—I dropped that health insurance—

The President. He knows it now. *[Laughter]*

Ms. Childers. Yes, he does.

The President. I hate to tell you, Amy, but see those cameras back there? *[Laughter]*

Ms. Childers. He's over there.

The President. Where is your dad? Is he here?

Ms. Childers. He is.

The President. Good. Okay, well, I'll see him afterwards.

Ms. Childers. All right.

The President. I'll cover for you. [Laughter] So anyway, you dropped your health insurance because—

Ms. Childers. It went up to \$210 a month, and so I got one that's \$5,000 deductible at \$100 a month.

The President. Here's the thing. Amy—look, I can't tell you how many people there are that work for small businesses who cannot afford insurance. I mean, a big slug of the uninsured in America works for small business companies—some, by the way, of the uninsured are young people who never think they're going to get sick and don't bother to buy insurance. But a big slug work for people that are struggling to make ends meet.

It's hard to be a small-business owner. It's hard to survive in a competitive world. And yet we've got to make sure our small businesses are strong—after all, they create 70 percent of the new jobs in America. We want the entrepreneurial spirit to be strong. One of the roadblocks to success is the cost of health care. And so here's a man who's got a small business. He has to make a difficult decision not to provide insurance for his employee. She has to decide.

Doesn't it make sense to change the Tax Code so that Amy Childers can better afford insurance? And so if she gets the \$7,500 deduction, she saves about \$2,000 a year—which means something other than the kind of plan you have is more affordable to you. Isn't that right?

Ms. Childers. Yes, sir.

The President. Yes. See, the reason I've asked these three folks to come to talk about—first of all, I just want people to be able to identify with what it means to be in a society in which you either don't have health insurance or you don't have adequate coverage. And there's a lot of our citizens who are just that way, and we've got to do something about it. It's not right, and it's not fair.

And there's an interesting debate going on, how best to solve the problem. Some say, "Well, maybe the Federal Government

ought to do it all." I don't believe that. I believe we can do a combination of good policy with the Tax Code, good policy to help those who we have an obligation to help, good policy with State, and good policy with charity—to make sure that we're able to provide that mosaic so that people can know that the society is better off as a result of accessible and affordable health care.

Now, we've got a man—thank you for coming, by the way. You did a wonderful job.

Will Smith, living the American Dream.

Will Smith. Thank you, Mr. President.

The President. Is that an accurate statement?

Mr. Smith. Yes, it's a correct statement.

The President. You know, I love a society where a fellow like Will Smith says, "I want to start my own business." We want people from all across the country saying, "I want to take a risk and start my own business." It's good for the country. Ownership is good for the country. Creating jobs through the small-business sector is good for the country.

So tell us what you're doing.

Mr. Smith. All right. I'm a developer, sir. I was one of the—we're the largest real estate developer in the city right now.

The President. Really? Good. Married?

Mr. Smith. Yes, married—four kids.

The President. That's good. And the name of your company?

Mr. Smith. It's WAS Properties.

The President. Put his wife's name in the deal. Will, and your wife's name is Andrea.

Mr. Smith. Andrea.

The President. See, W-A. Get it? Will and Andrea? [Laughter] And Smith—S. [Laughter]

Mr. Smith. That's correct.

The President. That is a smart move to put the wife's name in the company. [Laughter] So what are your problems?

Mr. Smith. Well, I have 9 full-time employees, and I count my contractors, which is about 50—subcontractors, which is about 50 employees. And in the nine employees that I have full time, they're not only just my employees; they're part of my family, because they've been with me for about 4 or 5 years. And we just can't afford insurance for them.

The President. First of all, I want you to hear the spirit that he just talked to me. He said, “These are my close friends.” In other words, these are more than just employees. A CEO of a small business views—many times—views the employees as family. And so he’s concerned about whether or not he is providing for his family, which is, frankly, an obligation of people who run a company. But the problem is, insurance has gotten too expensive to be able to do that, I guess.

Mr. Smith. Exactly.

The President. Yes. So I got an idea for you—two ideas. One is to look at health savings accounts—high deductible plans with a cash contribution to take care of ongoing medical expenses. If your employee does not spend the money, he or she gets to keep it and earn money tax-free and gets to save it; that’s one idea. You ought to take a look.

The other idea is—I know I’m beating a dead horse, but sometimes you have to say the same thing over and over and over again, and I’m going to say it one more time—we need to let Will and his employees be able to deduct the cost—a standard deduction off their income taxes so that he’s got just as good a chance to provide insurance for his employees that big companies do here in Chattanooga. That’s what we need to do. It is a really important idea.

I know that you’re looking and you’re scrambling, but it would be a lot easier if you were able to work with your employees because of the money that they save as a result of tax deductions.

Mr. Smith. That’s correct.

The President. And so the whole purpose, by the way, of this discussion is to help the individual, but to also help the entrepreneur do their duty. That’s why I’ve come. I’ve really come to say thanks to your Governor for being innovative. See, he’s helping lay out a basic health care plan. One of the problems we have at State level is that over time, a lot of mandates have been added to insurance. You know, the hair follicle benefit—well, you don’t need hair follicles, particularly if you have hair. *[Laughter]* If you’re going bald, you might think you do, but it’s probably not a necessary part of a health care plan.

I’m not saying that’s happening in Tennessee. *[Laughter]* But after a while—the Governor knows what I’m talking about, and so does this Governor—it’s hard to resist. And so they get—these insurance plans get all kinds of things added on to them, which makes the expense beyond the reach. And so the Governor said, “Look, we’re going to try—well, that’s fine, we’ll have those plans, but we’re going to devise another plan too, just to provide for basic health care.” That will help his employees, and so will change in the Tax Code.

I firmly believe we can do a better job in helping people get private insurance than we’re doing today. Matter of fact—and we need to. See, the status quo is unacceptable. And so I’ve come to talk to you about some ideas, and I want to thank you for giving us the forum to do that. Ideas matter in the public life. And here’s an idea, a series of ideas.

I strongly urge both Republicans and Democrats to take a look at what we’ve announced. We want to work with people in Washington, DC. I’m tired of the politics, just like you’re tired of the politics. We can do a better job of finding common ground on commonsense ideas to solve common problems.

And so I thank you for giving us a chance to come today. I want to thank our fellow citizens—my fellow citizens for joining us in helping to illuminate the problem and helping me highlight the solution.

Governor, I’m honored that you came. You didn’t need to come. It’s a great honor that you’re here. In return, Laura and I will have you for dinner next Sunday night. *[Laughter]* Well, we were going to do it anyway but—*[laughter]*—all the Governors are coming to town. I’m looking forward to welcoming your Governor. *[Laughter]* And I thank the Secretary. Doc, thanks for coming.

God bless you all. Thanks for your time.

NOTE: The President spoke at 12:33 p.m. at the Chattanooga Convention Center. In his remarks, he referred to Jim Brexler, president and chief executive officer, Erlanger Health System; and Lt. Gov. Ron Ramsey of Tennessee. A portion of these remarks could not be verified because the tape was incomplete.

**Remarks in a Discussion on
Alternative Fuel Sources in
Franklinton, North Carolina**

February 22, 2007

The President. Thank you. Please be seated. Thank you all very much. I like to tell people, part of my job is to be the educator in chief. And today we're at a really interesting facility in North Carolina to talk about what's possible, what dreamers are doing to enable us to achieve a very important national goal, and that is to become less dependent on oil from overseas, thereby ensuring that our national security interests are better intact and our economic security interests are better intact and that we're better stewards of the environment. That's what we're here to talk about.

But before I do, I do want to thank some people. First, Laura sends her regrets. I'm a lucky boy to have her—[laughter]—to have her as my wife. We've got a lot of friends here in Carolina, and she sends her best wishes to our Carolina friends. I told some folks yesterday, I'm not very objective when it comes to my wife, but I think the country is really lucky to have her as the First Lady.

We're here at Novozymes, which is a company that makes enzymes. We're going to talk to Thomas, who is the president and plant manager, about what they do here and why it's relevant. But before we get there, I do want to say something about Steen Riisgaard. He's the president and CEO—Steen. He flew over from Denmark. I can't thank you enough for coming. I appreciate you being here. It's interesting, isn't it, when you're able to sit in North Carolina and talk about a Danish company that is investing to not only help us become less dependent on oil but, equally importantly, is investing capital, which enables citizens from the United States to find good work.

I toured around the facility, and I asked people at the facility how long they had been working here. And a lot of people have been here 20-plus years. So for those people who are worried about free trade, I want you to remember that if this country were to wall ourselves off from the world, we would miss opportunities to find markets for our products, and at the same time, miss opportuni-

ties for citizens who work at a facility like this to find good work. It's in our interests that we have free and fair trade.

And so I thank you very much, Steen, for investing in the United States of America, and I appreciate the fact that you're sensitive to the needs of the workers here in the United States of America. And I see you're sitting next to your Ambassador. Mr. Ambassador, welcome. I'm glad you're here.

A person who understands the vast potential in the lands here in North Carolina to make us less dependent on oil is Richard Burr. He's the United States Senator. I'm proud he's joined us today, and thank you for coming, Senator. [Applause] There you go. Congressman G.K. Butterfield—thank you for being here, G.K. Appreciate you coming. He's the United States Congressman from the neighboring district, but he has enough interest in making sure that we succeed in alternative sources of energy that he's here. He's also on an important subcommittee in the House. I appreciate your interest; appreciate you joining us.

I want to thank the agricultural commissioner from the great State of North Carolina, Steven Troxler, who's joined us today. Steve, thank you for coming. There he is, right there. Good to see you. See, Steve needs to take an interest in this, like he is, because doesn't it make sense to be able to say to our farmers, "Grow what you can grow so we become less dependent on oil." I like the idea of a President being able to say, "Wow, the crop report is in; we're growing more corn than ever before, which means we're importing less oil from overseas." It's an exciting time to think about, that our farmers not only are going to grow what we need to eat, but it's going to grow what we need to run our automobiles.

And that's coming. That's what we're here to discuss today. I know it sounds like a pipe-dream to some—you know, there goes the optimistic President talking again. But you're going to hear from some experts here. I'm just a history major. [Laughter] And I'm with Ph.D.s. [Laughter] Let me remind you who the President is. [Laughter] Yes.